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Microschooling and Policy
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Report

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Executive Summary

America has a long history of small-school environments, such as one-room schoolhouses and homeschools. But in recent years, other models have developed, giving students more intimate settings for learning and enabling their families to play a larger role in their schooling. Microschools are a leading example of this growing sector that also includes pods, hubs, and hybrid homeschooling. This movement was kicked into high gear by the Covid pandemic, which caused millions of families to search for or develop flexible learning environments because of school closures and inadequate online options. For microschooling to expand and improve, state and local governments must ensure that parents, educators, and social entrepreneurs have the resources and freedom to develop, adapt, and sustain settings that meet students' and families' needs. Policymakers should consider statutes, regulations, and practices related to education funding, charter schooling, private schooling, homeschooling, online education, facilities requirements, educator certification, and more.

Introduction

Microschooling is an important part of a growing sector of K–12 education that is characterized by small learning environments and increased parental involvement. Although definitions vary, microschools typically have dozens of students (or fewer), not hundreds.[1] Generally, students attend classes in person, one or more teachers are employed to lead instruction, and the microschool is the primary educational setting for its students.

In these ways, microschooling differs from traditional private schools, which generally have more than 100 students; from homeschooling, where parents direct the education of their children; from fully online schooling, where the child learns remotely; from pods, which typically supplement the education provided by a more traditional school; and from hubs, which offer a physical location for students to engage in schoolwork provided by a variety of education operators.

These classifications are helpful for analysis, but parents and educators who are interested in finding or creating learning environments that best suit students are seldom focused on definitions. They want to help kids learn, regardless of categories related to governance and operations. Indeed, microschools don't always group students by age and are sometimes centered on particular challenges, such as early childhood learning, dropout prevention, or students with special needs. Adults who care about students are simply trying to solve problems.

Microschools became more important and prevalent during the Covid pandemic, when schools were closed or providing inadequate online services. Families wanted educational environments where their students could safely learn with schedules that enabled parents to meet their work and family obligations. Microschools proved to be nimble, tailored learning environments that met the needs of many families. But these schools (and related small-school approaches like homeschooling, hubs, and pods) raise important policy questions—and invite criticism from some establishment-oriented organizations.[2] They can sometimes access public funds, they are influenced by an array of laws and regulations, and they will influence the education of millions of students, which is of public concern. So while we should celebrate the entrepreneurial spirit demonstrated by teachers and parents, we should better understand how this small-school movement is interacting with education policy.[3]

We commissioned three reports to understand how state policy is affecting microschooling. Each focused on a different state: Idaho, New York, and Arizona.[4] This culminating report brings together these findings and adds related lessons from public opinion surveys, other states, and leaders in the field.

The lessons from the Idaho, New York, and Arizona reports and many other sources demonstrate that before moving on to a discussion of policy, we must understand how microschools originated and how they operate. Therefore, this report's first section situates microschools in a historical context, explaining how today's small-school movement relates to previous K–12 happenings and how today's efforts have been affected by the pandemic. The second section explains why it is important to understand microschooling as a closer relative to homeschooling and private schooling than charter or district schooling. The third and final section of this essay addresses the matter at the heart of this series: explaining how states interested in expanding microschooling should approach several important policy questions.

Section I: Historical Context

The Pandemic

Although homeschooling has been around for generations and the small-school movement has been growing for a number of years, the pandemic was an accelerant. For instance, as reported in our study on Arizona, Prenda (a key microschool operator) more than doubled the number of its schools during the pandemic (from 126 to 264). It is impossible to fully understand the status and future of microschools and related small-school approaches without appreciating the influence of the Covid era.

In the early spring of 2020, American public schools began closing because of the pandemic. Although some reopened for in-person instruction before the end of the 2019–20 school year, most public-school students were learning remotely. Nationwide, the 2020–21 school year was a mixed bag. Some schools reopened full-time and in-person in fall 2020 and stayed open. But others delayed opening their doors for months, offered only part-time in-person instruction, or closed when the local infection rate rose. When combined with poor online-learning services, poor communication from district leaders, and controversial rules related to masks and quarantining, millions of parents were left frustrated. Add in the heated disputes about what many saw as politically progressive changes in curriculum, and the stage was set for alternatives to flourish.

Although public opinion surveys consistently showed that most families believed that their local schools were headed in the right direction, believed that the schools deserved an A or a B, or were satisfied by their local districts' handling of Covid,[5] approval was not universal, especially early in the pandemic. Importantly, families in areas where schools were closed were less likely to be satisfied.

In Idaho, district schools in the state's rural areas were quick to reopen, and those areas have not shown much interest in new education options.[6] But across the nation, in places where schools remained closed, parents worried that their children were falling behind academically and missing out on important social interactions.[7]

Surveys captured something larger. A majority of parents wanted schooling to look fundamentally different after the pandemic, especially after public schools received unprecedented levels of new federal funds.[8] Parental support for homeschooling increased significantly, and nearly 80% of families homeschooling in 2021 said that the pandemic was extremely or very important to their decision. (Some 70% of homeschooling parents said that one beneficial effect of the decision was improved relationships with their children).[9] And a remarkably high number of families switched schools for the 2020–21 school year.[10] One study estimated nearly 9 million students switched schools, and another survey found that 17% of all students had done so.[11]

Traditional school district leaders, however, did not perceive strong parental demand for changes to schooling. According to a June 2021 survey of representative school districts, only 1% were offering a microschool option, and only 2% were offering pods. Nor were they aware of demand for these options: "Across the board, very few to no district leaders reported strong parental demand for learning pods, microschools, greater say in which teachers or courses their children get. . . . If parents are, indeed, demanding these changes, either superintendents were not aware of these demands, or they chose to report they were unaware of them."[12] There appeared to be a disconnect between parents' desire for significant change and traditional-school leaders' response to the pandemic.

Perhaps unsurprisingly, then, over the last two years, surveys showed families moving away from district-run schools and private schools and toward microschools, homeschooling, pods, and charter schools. One study estimated that the pandemic saw microschooling gain 200,000 students, pods gain 130,000 students, and homeschooling gain 1.2 million students.[13] How long this disruption will last is unknown. A late 2021 survey showed that school-sector enrollments might be returning to pre-pandemic levels.[14] The numbers suggest that many families are migrating back to more traditional public and private options, with fall 2021 enrollment figures looking much like spring 2020 numbers.

Still, for millions of families that experimented with different options in 2020–21 but decided to return to traditional district schools once they reopened, microschooling and its relatives are now an option. Many parents certainly came to better appreciate how their neighborhood

schools cared for their kids and how school schedules and activities fit into their families' routines. Especially if this sector is allowed to continue to grow, many parents will likely consider it again in the future.

In short, Covid upended K–12 schooling. But this period also seemed to have caused millions of families to seriously consider what was possible, apart from traditional schooling. Forced by the pandemic to rethink their schedules and experiment with online learning—and given the opportunity to take advantage of existing supplemental services and create new offerings for themselves—many families were intrigued, if not excited, by the possibilities of the new and different.

Alternative Small Options

Although district-run brick-and-mortar public schools have been the dominant providers of primary and secondary education for more than a century, families have always had other options. For instance, America has long had thousands of private K–12 schools, both religious and secular; and since the early 1990s, charter schools have offered choice within the public-school sector. While these schools have the freedom to do things differently from district-run schools, they generally look quite similar in terms of size, school day, and school year.

But America also has a tradition of smaller, nimbler learning environments reflecting our history, geographic conditions, and our unusual national commitment to pluralism and liberty. Prior to the 19th-century Common Schools movement, many students were educated by tutors. Sparsely populated rural areas often had one-room schoolhouses with just a handful of students. Homeschooling became more popular in the late 20th century; but throughout our history, many children have been educated by their families. The more recent advent of online learning enabled a new form of at-home schooling. And before the pandemic, a number of microschool operators—including Acton, Prenda, and Wildflower—began to emerge.[15]

Jocelyn Pickford and Duncan Robb's report for this series, "Microschooling in Idaho," demonstrates how these various categories naturally blend in a rural state.[16] They report that 10 districts in Idaho typically have fewer than 100 students each year. Two districts recently had fewer than 25 students apiece. At the same time, many families in the state's thriving homeschool community participate in co-ops, in which families' students learn together.[17] In other words, were you to see 25 Idaho students learning together in a single room, it could be a single classroom in a large school, the entirety of a small school district, a microschool, or a gathering of homeschool families. The same thing could be said for areas in many states.

Importantly, in recent years, these small-school approaches did *not* remain isolated. Educators and families created an array of arrangements that borrowed from one another. The possible combinations are too numerous to detail, but a few examples can be illustrative. Some students who are enrolled in online schools take courses or participate in programs run by traditional public schools. Some students in small rural schools take online courses not available in their districts. Some districts and charters subcontract with providers that offer niche programs. Indeed, the most common school-level reforms among a set of innovative schools tracked since 2018–19 are the adoption of blended learning (integrating online learning into brick-and-mortar schools) and enriched virtual learning (where students take some online classes in locations other than their schools)—the exact kinds of changes that facilitate the emerging mix-and-match approach.[18]

This creative, organic movement was kicked into overdrive during the pandemic. Millions of families with students enrolled in their traditional neighborhood public schools took advantage of their district's online offerings, which were often minimal. But those same parents then supplemented their kids' learning with homeschool-like activities. Other parents teamed up with

friends and neighbors to form "pods," whereby parents jointly or on a rotating basis taught a small group of students; one survey found that in late 2020, over 50% of parents were participating in a pod or looking to join one; another report estimates that 12% of families participated in a pod (mostly as a supplement to more traditional schooling).[19] Other parents who couldn't work from home took advantage of "hubs": physical locations (hosted by, e.g., a school district, city, or business) where a group of students could be monitored by one or more adults while taking part in online courses or doing self-directed schoolwork.[20]

As a result, American parents and educators developed—out of necessity—a proliferation of small-school arrangements. As Michael McShane notes, many features that make microschools unusual and attractive seem to have been custom-made for the pandemic: "With such small enrollments, they were better able to comply with local occupancy and social-distancing requirements. They were better able to be flexible about where they met, how they structured their schedules, and how they engaged with families."[21]

Category and Data Challenges

These hybrid, variegated arrangements helped families navigate the educational challenges posed by Covid while exemplifying American pluralism and social entrepreneurialism. At the same time, they make it nearly impossible to classify and measure what has been happening.

By comparison, in the 1980s—before charter schooling—categorization and data collection were relatively straightforward. Virtually all public schools were run by districts, which report enrollment figures to the state; thus, we could know how many students were in public schools. The vast majority of other students were enrolled in private schools, and states had systems for collecting these data. Collecting enrollment figures for homeschooling was more challenging, but estimates could be made (about 3% before the pandemic).[22]

Today, the tidy public school/private school/home school taxonomy is breaking down. Chartering has bifurcated the public-school sector between district-run publics and nonprofit publics. Some students are enrolled in online charter schools and do their schoolwork at home—but they wouldn't be classified as homeschoolers. Some students are enrolled in traditional public schools but take a number of online courses, often through institutions of higher education—but they are counted as traditional public-school students. Some students take courses from a district school, charter school, or an online provider but are still considered homeschooled students because they are not officially enrolled in one of those schools. A group of homeschooling families could pay a teacher to provide regular instruction to their kids in a school-like setting, but if those arrangements are not formalized as a private school, the students are still considered homeschoolers.

Even if a school is recognized as a private school and identifies itself as a microschool, there are not yet formal, standardized systems for differentiating microschools from other private schools. Indeed, as Juliet Squire notes in her study on New York City, the National Center for Education Statistics has data showing (before the pandemic) 125 private schools and 10 public schools in NYC with 70 or fewer students.[23] However, it is not known how many of these are intentionally small learning communities with students of different ages (as is typical for microschools). Some of these schools are certainly traditional schools that have simply lost enrollment or new charter schools that plan to grow to hundreds of students but are starting with just one grade.

The pandemic made classification even more challenging. Some survey results showed that the number of homeschoolers exploded over the last year, perhaps doubling nationwide (and that minority families disproportionately moved into homeschooling).[24] However, as Travis Pillow wrote for the Center for Reinventing Public Education, actual state data have shown a significantly smaller increase in homeschooling.[25] It appears that many parents might have reported

that their students were being homeschooled, when, in fact, their students were still enrolled in the local public school but taking the district's online courses at home (because the school was closed to in-person learning). Similarly, one study found that states with established virtual schools saw a substantial increase in enrollment during the pandemic.[26] This means that many students transferred from a traditional setting to an online school—so they were learning at home. But since they were enrolled in recognized public schools, they were not considered homeschoolers.

Another complication in the pandemic era relates to pods. Before Covid, about 50% of homeschooled students received instruction from a private teacher, tutor, or co-op.[27] Many of these arrangements, depending on the details, would now be considered a pod. If that percentage held in the Covid era, and if we believe that homeschooling significantly increased during the pandemic, the number of students participating in pod-like arrangements also jumped. The challenge, though, is that a common occurrence in May 2020—a small group of students taking some classes at home online and getting together in person occasionally to learn—could be, for example, homeschoolers in a co-op, online charter students at a learning center, or district students from a temporarily closed school in a voluntary pod.

So while we should be skeptical of the claim that homeschooling doubled in size, and while we should be careful about counting the number of students in pods, it is true that many more students are now learning in nontraditional settings. It is possible that during the pandemic, millions of students were being educated, at least part-time, in what might be considered a microschool—a parent-led, intimate learning environment. But because these arrangements were often informal and unreported, there is no way to accurately measure how large this phenomenon has grown.

The point is that this budding small-school movement is evolving quickly, largely ignoring formal definitions and instead blending different approaches to match students with learning environments. In this sense, the on-the-ground work undertaken by families and educators is moving ahead of policy debates; people are aiming to do right by kids instead of trying to fit into a prescribed policy apparatus. This does not mean that they are ignoring policy or breaking laws; in fact, they are often using the policy devices already available to advance the work that they have in mind. But instead of slavishly following an approach built in to existing statutes, regulations, and appropriations bills, they are deciding what is best for students and then leveraging existing public programs that fit their needs.

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Section II: Innovation and Flexibility

Reform Through the Public Sectors

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Microschools and the related small-school environment are best understood as having evolved from private and homeschooling, rather than charter and district schooling. There is, of course, some overlap between the small-school movement and the two public-education sectors, and that overlap is likely to grow (examples of this are included below). But the microschools and other small schools are fundamentally entrepreneurial in nature, like the private sector. This point should guide us in trying to formulate policy around them.

The reform of district schools takes place against the backdrop of a mountain of state constitutional provisions, state laws, federal and state court decisions, federal and state regulations, local school-board policies, and generations of practice. These cover everything from teacher

certification and class size to learning standards and assessments to seat-time mandates and facilities requirements. Change is guided by such rules; the sense of what is even possible is shaped by this body of policy and practice.

Though charters are designed to have more freedom than district-run schools, how charters are established, funded, operated, and overseen is still a matter of policy. Charter applicants have to be vetted and blessed by state-approved authorizers; charters are held accountable to explicit public performance contracts; charters must follow state accountability and open-enrollment policies; and charters are subject to most health, safety, and facilities rules.

In other words, reformers have limited degrees of freedom when working through the two public-school sectors. But the pandemic has shown that flexibility is desirable, and even necessary, to serve the best interests of families and educators. Parents want personal learning environments and to be more involved in their kids' schooling; they want to experiment with school and class sizes as well as school schedules and calendars; they want to blend different instructional approaches; they often want something that looks and feels different from a traditional school. Because many parents and educators are creating and learning on the fly, they need the ability to course-correct along the way.

Reform Through the Private Sector

Private schools have a great deal of autonomy from the government. They not only have a constitutional right to exist (i.e., the government cannot prohibit them);[28] they also have substantial control over curriculum, schedules and calendars, staffing, and more. Private schools do have to follow most health, safety, and nondiscrimination rules, and states can impose some reporting requirements; many of these policies differ by state. But in general, private schools enjoy significant freedom.

Homeschools have even more flexibility. Though policies differ by state, families choosing to educate their children can make most decisions for themselves. Some states require parents to notify state authorities of their choice to homeschool or attest to what their students will be taught, and some states use different means of monitoring homeschools. But in general, the decision to homeschool largely separates the family and its students from state and local education policies.

Those creating a microschool and wanting as much flexibility as possible can choose to create a private school and follow state policies touching private schools. Or they can a create a microschool environment without formally creating a private school. In the latter case, the school will function largely as a group of homeschooled students learning together.

Interviews

These themes—innovation, flexibility, public vs. private sectors—came through in a series of interviews conducted for this report. Four leaders experienced in educational entrepreneurialism or state and local policy described how microschooling and related small-school approaches are playing out today.

Hassan Hassan, CEO of 4.0 Schools, which aims to be an early investor in new, community-centered models of education, noted that the social entrepreneurs whom they work with typically prioritize decision-making authority.[29] Parents and others looking to develop new educational opportunities want to decide for themselves what student success looks like and what constitutes innovation. Traditionally, school districts, policymakers, and major philanthropists have made these decisions. Aspiring school founders are often motivated by student safety, low-performing schools, or a sense that a long-standing local education problem can be

solved by community leadership. The small-school environments that they create might incorporate online learning, tutoring, early-childhood education, or after-school programing. But 4.0 Schools and their partners do not follow a predetermined model; instead, local leaders want the flexibility to develop practical responses tailored to particular needs.

Similarly, Meredith Olson, CEO of the VELA Education Fund, explained that its grantees want independence to innovate outside traditional systems.[30] VELA invests in individuals and organizations determined to create new educational opportunities. This often takes the form of small learning environments—for example, through online learning or supplemental services. Though their grantees might benefit from public funding, they often prioritize decision-making authority and are leery of the strings that come attached to government dollars. Likewise, Olson notes, these entrepreneurs generally don't think in terms of sweeping policy reform. Rather, they want the flexibility to develop programs that meet the needs of the particular students they aim to serve. Like Hassan, Olson identified the stultifying effect that policy and philanthropy can have on education innovators: donors' priorities, metrics, and reporting requirements and policymakers' regulations constrain the sense of what is possible, thereby hindering the creation of new ideas and the development of new programs.

Adam Peshek, a senior fellow at Stand Together Trust and an expert in state-level education policy—particularly the policies related to school choice—highlighted the opportunities and challenges related to government involvement in the small-school movement.[31] He compared today's surge in microschooling with the early, innovative days of charter schooling (prior to today's more regulated charter-school sector), when educational entrepreneurs with new ideas found a way to create new schools. If funding weren't an issue, microschooling would benefit from staying in the private sector, where flexibility is greatest—meaning that school founders and leaders are empowered to make decisions related to school size, schedules, age spans, and curriculum. Many things that today's microschool founders hope to accomplish do not fit neatly into statutes and regulations crafted years ago. Although currently, because of the pandemic, some public systems have experimented with pods and small-school environments, they have done it out of necessity, as a stopgap measure. Because of various rules and parents' expectations, schools will revert to traditional ways after the pandemic.

Peshek believes that the best way for the government to help microschooling (while minimizing the chance of hurting it) is to provide highly flexible funding to families—that is, direct dollars that parents can use for a wide variety of educational expenses. Absent reliable financial support, microschools, as private schools, will rely on tuition, which will limit the number of families able to participate. If these state dollars can be used for an array of education-related expenses (e.g., tuition, books, field trips, supplemental resources), entrepreneurs will be best positioned to create financially sustainable programs that meet students' needs. Peshek warns about the dangers of using the charter mechanism to advance microschooling. Charter laws, intentionally or not, often nudge schools to follow traditional approaches related to school size, calendars, grade spans, and accountability. That is not necessarily what parents, students, and educators want.

Cara Candal, managing director for policy at ExcelinEd, agreed that flexible funding is the best way for government to help microschooling. The key is making dollars available so that founders can create and parents can choose the types of programs—even if unconventional—that match student needs. Voicing a concern consistent across the interviews, Candal noted that too much policy and too many rules at this point in the development of microschooling could threaten innovation and growth. Sam Duell, policy director for charter schools at ExcelinEd, noted that a range of state policies, from part-time enrollment rules to charter laws to homeschooling policies to seat-time requirements, will influence education entrepreneurs' ability to create new small-school offerings.[32] Policymakers should bear in mind that, especially during the

pandemic and when people are concerned about political battles playing out in education, families and educators need the ability to create and modify offerings swiftly. Too many government rules, funding streams, and reporting requirements can make it difficult to innovate and adapt.

Bumping Into Policy

In a number of ways, microschools, even if they want maximum autonomy, will bump into state-level policies. For example, in some states, an educational environment that appears to function as a private school, even if it is not legally constituted as one, can be treated—and thus regulated—like a private school. In some states, homeschooling requirements are extensive, placing nontrivial burdens on families—so even if a microschool is functioning in the homeschool environment, it may feel constrained by state policy.

In some cases, those operating or choosing a microschool would like to make use of various streams of state funds, whether through a voucher, tax credit scholarship, education savings account, or something else. Using those funds, however, will likely come with some government strings attached (for instance, related to standards, assessments, reporting, or monitoring). And that may be a dealbreaker for some families or educators.

There may also be instances where a microschool is operating in an area never contemplated by policymakers. For example, a charter school might choose to allow a small number of its enrolled families to operate an affiliated microschool. This raises a host of questions: How should that environment be monitored by the authorizer? Does that environment need to follow all the same policies agreed to in the charter agreement? Can the leaders of that environment use public money in a separate budget?

The public has an interest in ensuring that all students are well educated and kept safe, which explains why states generally place requirements on private schools and homeschools. If small-school environments proliferate and serve more and more students, policymakers need to address how, if at all, these environments will be held accountable for student achievement—or, at least, student safety. Given that a small school can take many forms—e.g., a pod, hub, hybrid homeschool, micro-private school using state funds, or a collection of homeschooling families—policymakers need to consider which accountability and transparency rules apply in which situations.

Section III: Microschools and State Policy

Government leaders and others hoping to foster the growth of small learning environments should consider reforms in a host of areas in education policy.

Funding

Funding is the most important issue. State financial support can help new programs emerge and can help families afford to pay for tuition and other costs. If microschools have access to reliable streams of government aid, this sector's growth could accelerate—and a wider range of students (including those from low-income families) could have greater access. For instance, our NYC report found that some organizations running pod-like environments during the pandemic were charging as much as $13,000 per semester.

But government aid also comes with more involvement from the state. Microschool advocates need to consider these trade-offs—e.g., at what point do the costs of government regulation exceed the benefits of financial support? In Idaho, many of the state's homeschooling families expressed deep reservations about a scholarship proposal, out of fear that state regulations would come along with state funding. At the same time, state leaders should consider what types of requirements they wish to impose on recipients of public funds—for example, whether they should require an annual assessment so that parents and taxpayers are aware of students' performance.

Government-provided vouchers (sometimes called scholarships) have been the standard method of helping families afford private schools. With vouchers, state aid technically flows to parents who then direct these dollars to a participating private school. This financial model assumes that parents want to send their children to a standard (often accredited) brick-and-mortar private school. Indeed, voucher programs often only contemplate funds paying for tuition and associated expenses at an existing institution.

However, parents interested in a small learning environment might want to create a new school of their own—and funds are needed for startup costs. They might choose to partner with a handful of families in an informal arrangement—i.e., not officially incorporate a new school. The new offering might not require tuition payments, especially if the arrangements look more like a pod or a homeschool co-op—so funds could be used for, say, books, field trips, or leasing space.

Families would need maximum latitude in spending state funds. One way to accomplish this is through highly flexible education savings accounts (ESAs). Such programs exist in eight states; one 2021 survey found that 74% of parents support ESAs in principle.[33] Though they take different forms, ESAs generally make available to a family the allotment of state dollars that would otherwise flow to a district-run school to support that family's student. Those dollars can then be used for a wide array of educational expenses. Although the list of allowable uses includes tuition at a traditional private school, it also includes tutoring services, books and other educational resources, and online courses. As McShane explains in his report, Arizona's groundbreaking creation of ESAs in 2011 has been key to the development of microschooling.

State scholarship and voucher programs—which also provide state funds to families—can be created or amended to permit this expanded set of allowable uses. Similarly, tax-credit scholarship programs could be made highly flexible. These programs, which have become a popular state-level school-choice policy over the last decade, use private funds instead of public funds to expand families' access to educational options. Individuals and corporations are given a tax credit for their donations to a scholarship fund. The fund then distributes scholarships to eligible students. The more expansive the list of allowable uses of those scholarships, the more likely the state will be to see a flourishing of new small-school environments.

Two points should be underscored related to flexible funding. First, an established private school will bake into its tuition cost numerous expenses associated with running a school—everything from facilities and desks to salaries and benefits to laptops and projectors. But a startup learning environment, especially one with different arrangements from a traditional school, will have a host of small expenses that families will need to cover, and those expenses may shift over time as the school evolves. Expanding the list of allowable uses of educational funds will enable an emerging school community to cover its costs, whatever they might be at the moment. This is particularly important for lower-income families. For small learning environments to be highly accessible, we need to ensure that parents can cover all the costs—whether purchasing the family's first laptop, paying for public transportation so that their children can get to school, or something else.

Second, if the list of allowable uses is short, the types of schools that will emerge will be constrained. That is, a school's arrangements will be shaped by what it can afford. But one of the most valuable elements of this emerging sector of small learning environments is the variety of forms that its schools are taking. Often, microschools, pods, hubs, and hybrid homeschools were the result of innovative families and educators responding to current conditions. As such, this sector looks decidedly unplanned and unmanaged; it is an example of emergent order. If we want this sector to remain vibrant, diverse, and responsive, its families and educators need the freedom to use funds in the ways they deem best. Though this sector has recently been affected by the pandemic, new conditions will arise. We should want this sector to be able to respond equally well to factors that we cannot currently imagine.

Online Education Rules

Online schools offer a great deal to families. Students can take classes anywhere, use an unconventional schedule, and learn at their own pace. But students can feel isolated when learning alone. Policies on microschooling can help by enabling online students to gather together in a semiformal environment. States with state-operated online schools or state-authorized charter schools should ensure that their policies permit or even support physical locations and in-person instructors that make it easier for students to convene in a safe facility with adult supervision. Similarly, an online school should be allowed to contract with microschool or hub operators to host, facilitate, or supplement online instruction. McShane's report described how this is working in Arizona.[34]

Some students in Prenda's microschools actually enroll in a public online charter school (and take all the state tests and contribute to the charter school's performance). But these students attend class in a physical location. These Prenda learning centers are then regulated as a kind of in-home child-care operation, instead of being considered a fully functioning school. This makes sense, given that the center might host a handful, not hundreds, of students. This designation has important regulatory implications. Under these arrangements, students have adult support and student camaraderie while benefiting from the more flexible nature of online learning.

Homeschool and Private-School Regulations

Although homeschooling and private schooling are less regulated than district and charter schooling, policymakers should appreciate the challenges that parents face in going this route. For instance, more than 40% of families homeschooling their children said that it was very or somewhat difficult to start.[35] Part of this is related to government rules. States—to differing degrees—still have a host of rules that apply to these nonpublic sectors. Though most of these policies are designed to ensure that students receive a sound education, they can—purposely or unintentionally—stymie innovation. Indeed, private-school rules were typically crafted with the traditional brick-and-mortar school model in mind. But if microschools are to thrive, and if different types of small learning environments are to evolve, parents and educators need a great deal of freedom to experiment outside the standard model.

State leaders interested in fostering the growth and diversification of the small-school sector should conduct an audit of their homeschool and private-school regulations. This should include, at minimum, a study of statutes, regulations, guidance documents from the state board of education and state department of education, and state-level grant programs and funding formulas. The motivating question behind this kind of audit should be, "Do our state's rules unnecessarily inhibit the creation and success of small-school environments?"

In *City Journal*, Larry Sand reported that a number of states had applied (or created) a range of regulations in response to the growth of pods, including rules related to licensing, permits, and evacuation plans.[36] In a study for the State Policy Network, Jonathan Butcher found concerning regulations related to zoning, day-care operations, and registration rules.[37]

Our NYC study showed just how difficult it can be to start and operate a private school. Squire reported that in New York, a new "private school must complete a 21-item checklist to obtain a provisional three-year charter for incorporation."[38] This includes information related to grades served, enrollment, a certificate of occupancy, a description of its curriculum, qualifications of staff members, a budget, a copy of the tuition schedule, admissions policies, calendar, schedule, transportation plans, and nutrition program. The school must also demonstrate that its "instruction is educationally equivalent to that offered by the local public schools." Moreover, "New York requires private schools to provide education in fire and arson prevention; drug and tobacco abuse; patriotism, citizenship, and human rights issues; and highway safety and traffic regulations. Regulations also govern record-keeping (e.g., attendance records), the use of protective headgear during baseball games, and parental notification for the use of pesticides."

In some states, operating as a homeschool instead of a private school would allow families to start up quickly and avoid state regulations. But that is not the case everywhere. In New York, per our study, once a group of parents engage an educator to provide group instruction for a majority of students' learning time, that environment is considered a private school, not a homeschool. Even if families meet the criteria for a homeschool, they must file an "Individualized Home Instruction Plan" that includes information on syllabi, learning materials, textbooks, and a schedule for submission of quarterly reports (which must include instructional time and a description of material covered and students' progress). Students must take a nationally norm-referenced test, or a person who is approved must file a narrative report on student learning.

Clearly, these types of policies can inhibit the creation of new education opportunities. But other types of policies can make it easier for families to access small-school environments. For instance, in Idaho, two districts collaborated to create a service agency that provides homeschooling families the ability to use district services on an à la carte, fee-paying basis. A new law in Texas protects self-organized, private (i.e., non-district) pods from local meddling.[39] The statute, for example, prevents local authorities from regulating pods as public schools or child-care facilities; prevents local entities from applying new regulations to the facilities used by pods; prevents districts from conducting site visits of pods; and prevents local systems from forcing families to register pods. A new law in Georgia is quite similar. Though private pods are subject to laws related to civil rights, health, and safety, they are exempt from many state and local rules related to child-care operations, site visits, staff ratios, facilities requirements, and teacher certification.[40]

None of this is to say that all, or even most, private-school and homeschool rules should be abandoned or scaled back. Many such rules were created for good reason and serve important purposes. For instance, states should think carefully before fundamentally changing rules related to health and safety. But most state regulations were formulated before the adoption of school-choice programs, and nearly all of them before the recent growth of the small-school movement. A state committed to parental choice and microschools would be wise to appoint a panel to study whether its long-standing policies support this innovative sector.

Charter-School Laws

As mentioned throughout this report, small-school environments can take place within the charter sector. Given that charter laws were not written with microschools in mind, parents and entrepreneurs can find themselves operating in a charter law's gray area. For example, charter operators might want to host a microschool inside their traditional school, but the microschool

may employ instructional methods not mentioned in the charter's agreement with the authorizer. These types of scenarios are not contemplated by current laws. Since these factors relate to public funding and student performance, policymakers should study them.

State legislators should consider amending existing charter legislation or creating new legislation that directly addresses small schools. Small schools may not fit neatly into the state's unified accountability system, so microschools might need to use different approaches to student assessment and states might need to think differently about how such schools are funded. Similarly, an authorized microschool, which intends to have fewer than 20 students annually in perpetuity, should not need to follow the same facilities rules as a charter school designed for 500 students. These types of decisions require making trade-offs between flexibility and entrepreneurialism, on the one hand, and public accountability, on the other. To the extent that a state wants to make room for microschools under its chartering umbrella, state leaders should consider these issues.

Part-Time Enrollment

One issue worth studying is whether state rules permit students to enroll in public schools part-time. For many families, choosing or creating a small-school environment is not an all-or-nothing decision. They will want to stay engaged in a traditional school while spending time in an alternative setting. Indeed, as Pickford and Robb's study reported, in Idaho, state policy doesn't financially punish districts that have students attend part-time. Rather than the state's cutting district funding in these cases, "if homeschooled students participate even part-time in a district's services, the student is included in district attendance counts and the district receives additional state funding." Accordingly, districts have an incentive to maintain a relationship with parents choosing unconventional part-time arrangements; indeed, "some traditional school districts provide resources to homeschool families and cooperatives."[41]

Currently, at least a dozen states allow students to enroll in district schools part-time,[42] but the rules vary as to which students can participate, which district services students can access, and how students' participation is funded. To encourage the growth and improvement of small learning environments, state should ensure that families are able to enroll in district schools part-time.

In-School Microschools

One way to advance microschooling is to embed a small-school environment inside an existing school. This can be done through a type of subcontracting. In a sense, a school board contracts with a school to deliver educational services, and a charter authorizer contracts with a nonprofit to deliver educational services. State and local policies should allow a school (whether district-run or charter) to "subcontract" with an outside provider or a group of teachers to run a school within a school or, more specifically, a microschool within a traditional school. A board of education or superintendent could permit (within clearly defined parameters) a principal or some other individual to oversee one or more separate microschools inside the building; or an authorizer could amend a charter school's agreement to allow that nonprofit to operate an associated microschool or delegate the operation of a small-school environment to others. As Squire reports in her study of NYC, a number of district-run and charter schools started small-learning communities during the pandemic.

Idaho shows one way this could be accomplished. In 2021, the state passed "innovation classrooms" legislation that opened the door to in-district microschools. Under the new program, a small group of district students could be taught by one teacher using a different curriculum. Students would still be enrolled in the district, and the participating teacher would still be an employee of the district. However, much like the state's "innovation schools" program on which

the measure was based, the decision about whether to allow the creation of a new educational environment is left to district discretion. Perhaps as a result, there are no "innovation schools" operating in Idaho today; only time will tell whether innovation classrooms fare differently.

There is reason to be skeptical. During the first years of the national charter-school movement, states often empowered only districts to authorize charter schools. Seeing charters as a distraction, as competition, or as a drain on resources, districts authorized few charters. States then began creating non-district authorizers (e.g., state boards of education, public colleges) so that the development of chartering would not depend on districts. Non-district authorizers quickly began approving more charters than district authorizers.

Other states should learn from these lessons: if the state's leadership is hesitant to provide funding for private microschools, in-district microschools are a possibility worth exploring. If districts refuse to create such small-school environments, the state could create a different mechanism for their approval. For example, legislation could require districts to create in-district microschools if a critical mass of parents petition it to do so, or the state could empower a non-district charter-school authorizer to approve an in-district microschool.

Louisiana created a similar program, though it refers to these inside-district microschools as "pods."[43] The new law allows a district to permit a school to create a small-learning environment of at least 10 students. The students are still enrolled in the school and subject to the same rules as other students, and they are still taught by a district teacher. However, the pod can include students from different grades and can use remote or blended learning. However, as in Idaho, whether to create such a pod is left to the district's discretion.

Educator Certification

Another issue to consider is educator licensing and certification. Burdensome credential rules could hinder parents' ability to serve as full- or part-time teachers.[44] A small school might also want to use local professionals (e.g., wildlife experts, engineers, writers) to serve as teachers or tutors even if they don't have a state teaching license. A community could be stopped from creating a hub if the adults simply supervising students taking online courses are required to be certified teachers. The National Alliance for Public Charter Schools believes that a "model" charter-school law either automatically waives teacher certification requirements or gives charters the ability to seek a waiver from such requirements.[45]

Conclusion

School choice is booming in state policy. There are roughly 75 state-level school-choice programs today.[46] In 2021 alone, 22 states created, expanded, or improved such programs.[47] One recent survey showed that more of the general public supported than opposed charter schools, low-income vouchers, universal vouchers, and tax-credit scholarships (which were supported at a 56–23 rate).[48] Another survey found that in 2020, public support for ESAs, tax-credit scholarships, vouchers, and charters was above 70%—among parents, support for each was above 75%.[49]

Covid-related school closures were not the only factor driving the recent state legislative decisions to expand choice, but they certainly played a large role. Millions of families wanted their kids back in school, and in too many locations, schools were not entirely open for in-person instruction for very long. Parents switched schools at shockingly high rates during the Covid era, looking for learning environments that matched their needs. Policymakers, unable or unwilling to force districts to reopen, adopted programs that empowered families to exercise school choice.

With public schools open again, parents may settle back into their previous routines. They may decide that the traditional model best suits their children's academic needs and best fits their families' schedules. But the 2021–22 Omicron wave reminded many families that school closures, teacher strikes, and mask mandates may become a recurring theme in American public schooling. Therefore, many families will stay in their new schools, including those that are part of this small-learning-environment sector. With each successive Covid wave or other type of disruption, more families may gravitate to this growing sector. The nation's scores of school-choice programs will not only help these families stay in these alternative arrangements; they will enable additional parents to experiment with small schools in the years ahead.

Endnotes

[1]   There are many views on how many students are needed—and how many students are too many—for a microschool. The three previous reports in this series acknowledge this lack of consensus. Although these reports use slightly different definitions, all agree that a microschool can range from a few students up to a few dozen.

[2]   National Education Association and Center for Enterprise Strategy, "Opposition Report: Pandemic Pods."

[3]   Although this report—and the larger series—focuses on microschools, our research made clear that microschools have a great deal in common with other small-school initiatives like pods, hubs, and varieties of homeschools. This is especially true as far as policy is concerned. Thus, this report often discusses the entire small-school sector. As needed, distinctions are drawn, but often—since these initiatives share the basic feature of a small group of students learning in a setting other than a traditional school—these different forms are considered together.

[4]   Jocelyn Pickford and Duncan Robb, "Microschooling in Idaho: Using Policy to Scale a New Type of Small-School Environment," Manhattan Institute, Nov. 23, 2021; Juliet Squire, "Small Schools in the Big Apple: How State-Level Policy Inhibits Microschooling and Learning Pods," Manhattan Institute, Dec. 9, 2021; Michael McShane, "How Years of Policy Choices Enabled Microschooling to Thrive in Arizona," Manhattan Institute, Dec. 16, 2021.

[5]   Andy Smarick, "What the Narrative on School Reopenings Has Missed," *The Dispatch*, Apr. 7, 2021; EdChoice and Morning Consult, National Tracking Poll #210589, May 7–June 2, 2021; EdChoice and Morning Consult, "The Public, Parents, and K–12 Education," October 2021; *Education Next*, "Results from the 2021 Education Next Poll"; EdChoice and Morning Consult, "The Public, Parents, and K–12 Education," September 2021.

[6]   McShane, "How Years of Policy Choices Enabled Microschooling to Thrive in Arizona."

[7]   Echelon Insights, "National Parents Union Survey," June 2021.

[8]   Michael McShane, "New Large Survey of Homeschooling Families Lifts Hood on Homeschooling During COVID-19," *Engage*, June 8, 2021; Echelon Insights, "National Parents Union Survey," April 2021; Beacon Research, "A National Survey of Parents for the Walton Family Foundation," April 2021.

[9]   EdChoice and Morning Consult, "The Public, Parents, and K–12 Education," September 2021; McShane, "New Large Survey of Homeschooling Families."

[10]   Adam Newman, Tanya Rosbash, and Andrea Zurita, "School Disrupted: The Impact of COVID-19 on Parent Agency and the K–12 Ecosystem," Tyton Partners, May 2021.

[11]   Alex Spurrier, Juliet Squire, and Andrew J. Rotherham, "The Overlooked," Bellwether Education Partners, August 2021; EdChoice and Morning Consult, "The Public, Parents, and K–12 Education," October 2021.

12   Heather L. Schwartz and Melissa Kay Diliberti, "School Districts Have Expanded Their Nonacademic Services for 2021–2022, While Academic Offerings Remain Much the Same," RAND Corporation, 2021.

13   Newman, Rosbash, and Zurita, "School Disrupted."

14   Michael B. Henderson et al., "Parent Poll Reveals Support for School Covid-Safety Measures Despite Vaccine Hesitancy, Partisan Polarization," *Education Next* 22, no. 1 (Winter 2022).

15   Acton Academy, https://www.actonacademy.org; Prenda: https://www.prenda.com; Wildflower Schools, https://wildflowerschools.org.

16   Pickford and Robb, "Microschooling in Idaho."

17   Ibid.: "[E]xactly how robust [the homeschool sector] is unclear: parents need not report anything to the Idaho State Department of Education (SDE) when they choose to homeschool, and SDE has no data on the state's homeschool population."

18   Chelsea Waite, "Not a Lost Year: K–12 Innovation During 2020–21 and How to Nurture It Post-Pandemic," Christensen Institute, July 2021.

19   EdChoice and Morning Consult, "The Public, Parents, and K–12 Education," September 2021; Newman, Rosbash, and Zurita, "School Disrupted."

20   Michael B. Horn, "Some Pods Will Outlast the Pandemic," *Education Next*, Nov. 2, 2021.

21   McShane, "How Years of Policy Choices Enabled Microschooling to Thrive in Arizona."

22   U.S. Dept. of Education, National Center for Education Statistics (NCES), "Homeschooling."

23   Squire, "Small Schools in the Big Apple."

24   Casey Eggleston and Jason Fields, "Census Bureau's Household Pulse Survey Shows Significant Increase in Homeschooling Rates in Fall 2020," Census Bureau, Mar. 22, 2021; Casey Parks, "The Rise of Black Homeschooling," *The New Yorker*, June 14, 2021; Moriah Balingit and Kate Rabinowitz, "Home Schooling Exploded Among Black, Asian and Latino Students. But It Wasn't Just the Pandemic," *Washington Post*, July 27, 2021.

25   Travis Pillow, "Has the Number of Homeschoolers Doubled? Or Are the Lines Blurring?" Center on Reinventing Public Education, September 2021.

26   Betheny Gross, "Surging Enrollment in Virtual Schools During the Pandemic Spurs New Questions for Policymakers," Center on Reinventing Public Education, September 2021.

27   NCES, "Homeschooling in the United States: Results from the 2012 and 2016 Parent and Family Involvement Survey (PFINHES: 2012 and 2016)," December 2019.

28   *Pierce v. Society of Sisters*, 268 U.S. 510, 45 S. Ct. 571, 69 L. Ed. 1070 (1925).

29   Interview with Hassan Hassan conducted Dec. 1, 2021.

30   Interview with Meredith Olson conducted Nov. 16, 2021.

[31]   Interview with Adam Peshek conducted Nov. 11, 2021.

[32]   Interview with Candal and Duell conducted Nov. 15, 2021.

[33]   EdChoice, "Education Savings Accounts (ESAs)"; EdChoice and Morning Consult, "The Public, Parents, and K–12 Education," September 2021.

[34]   Notably, the Arizona attorney general's office is investigating the relationship between the authorized charter operator and Prenda, which is acting as a service provider. As discussed below, states would be wise to clarify in law and regulation how school operators and subcontractors are and are not allowed to partner.

[35]   McShane, "New Large Survey of Homeschooling Families."

[36]   Larry Sand, "Growth of the Pod," *City Journal*, Nov. 30, 2020.

[37]   Jonathan Butcher, "Protecting Learning Pods: A 50-State Guide to Regulations Threatening the Latest Education Innovation," State Policy Network, Nov. 2, 2020.

[38]   Squire, "Small Schools in the Big Apple."

[39]   Texas Education Code, Sec. 27.001.

[40]   Georgia S.B. 246: "The Learning Pod Protection Act."

[41]   Pickford and Robb, "Microschooling in Idaho."

[42]   ExcelinEd, "Part-Time Enrollment: Policy Analysis," June 2021.

[43]   Louisiana Revised Statutes, Title 17, §4036.1, Chapter 43-B. Learning Pods.

[44]   Bob Egelko and Jill Tucker, "Homeschoolers' Setback in Appeals Court Ruling," SFGate, Mar. 7, 2008.

[45]   National Alliance for Public Charter Schools, "Automatic Exemptions from Many State and District Laws and Regulations."

[46]   EdChoice, "School Choice in America."

[47]   American Federation for Children, "School Choice Victories"; Evie Blad, "How the Pandemic Helped Fuel the Private School Choice Movement," *Education Week*, July 2, 2021.

[48]   *Education Next*, "Results from the 2021 Education Next Poll."

[49]   EdChoice, "Schooling in America Polling Dashboard."